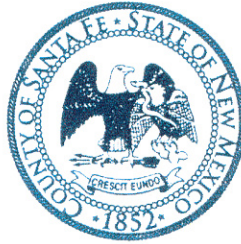


**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Rudy N. Garcia**  
*Commissioner, District 3*



**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

## MEMORANDUM

**To:** Santa Fe County Board of County Commissioners

**From:** Stephanie Schardin Clarke, Finance Division Director

**Via:** Katherine Miller, County Manager

**Date:** January 29, 2019

**Re:** AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF THE SANTA FE COUNTY, NEW MEXICO GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2019, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR PURPOSES OF FINANCING COSTS OF (1) PLANNING, DESIGNING, ACQUIRING, CONSTRUCTING, RENOVATING, REHABILITATING, EQUIPPING AND FURNISHING A COUNTY ADMINISTRATION COMPLEX AND RELATED FACILITIES; (2) PLANNING, DESIGNING, SURVEYING AND CONSTRUCTING ROADS PURSUANT TO A SETTLEMENT AGREEMENT WITH THE PUEBLO DE SAN ILDEFONSO; (3) PLANNING DESIGNING, ACQUIRING AND CONSTRUCTING CAPITAL IMPROVEMENTS NECESSARY TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT COUNTYWIDE; AND (4) PAYING COSTS OF ISSUANCE OF THE BONDS; DELEGATING AUTHORITY TO THE COUNTY MANAGER TO EXECUTE AND DELIVER A BOND PURCHASE AGREEMENT AND PRICING CERTIFICATE WHICH WILL SPECIFY THE EXACT PRINCIPAL AMOUNTS, MATURITIES, PRICES, REDEMPTION FEATURES, AND OTHER DETAILS OF THE SERIES 2019 BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE SERIES 2019 BONDS; PROVIDING THAT THE SERIES 2019 BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS, AND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS FROM THE DISTRIBUTIONS TO THE COUNTY OF THE REVENUES OF THE FIRST ONE-EIGHTH INCREMENT, THE THIRD ONE-EIGHTH INCREMENT, AND THE ONE-SIXTEENTH INCREMENT OF THE COUNTY GROSS RECEIPTS TAX ENACTED PURSUANT TO SECTION 7-20E-9 NMSA 1978, AND THE ONE-EIGHTH INCREMENT OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX ENACTED PURSUANT TO SECTION 7-20E-28 NMSA 1978, WHICH ARE DISTRIBUTED TO THE COUNTY BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO SECTION 7-1-6.13 NMSA 1978;

**PROVIDING FOR THE PLEDGE OF SUCH REVENUES BY THE COUNTY;  
RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE  
BONDS; AND REPEALING ALL ORDINANCES IN CONFLICT WITH THIS  
ORDINANCE. (Finance Division/Stephanie Schardin Clarke)**

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**ISSUE**

The Finance Division staff presents this bond parameters ordinance in connection to the proposed Santa Fe County Gross Receipts Tax Improvement Revenue Bonds, Series 2019 (the Bonds). The Bonds will be issued in an amount not to exceed \$30 million for the purpose of funding projects various capital projects, including the County Administrative Complex, road construction at the Pueblo de San Ildefonso, and Americans with Disabilities Act (ADA) improvements countywide.

**BACKGROUND**

On January 8, 2019, the Board of County Commissioners approved a resolution declaring its intent to issue the Bonds. This ordinance authorizes the County Manager to accept bids and award the sale of the bonds to the winning bidder. The Bonds will fund the following capital projects:

<u>Purpose</u>	<u>Amount to Be Issued</u>
County Administrative Complex – Catron Street	\$19,100,000
County Administrative Complex – Grant Street	\$4,900,000
San Ildefonso Roads	\$4,000,000
ADA Improvements	\$2,000,000
<b>TOTAL:</b>	<b><u>\$30,000,000</u></b>

The Bonds will be payable from the County's first 1/8<sup>th</sup> percent increment, third 1/8<sup>th</sup> percent increment, the 1/16<sup>th</sup> percent county gross receipts tax increment, and the 1/8<sup>th</sup> percent hold harmless increment.

If approved, the Finance Division anticipates the following timeline for bond issuance:

- February 14, 2019 – Bond Sale/Pricing with winning bid accepted by County Manager
- March 13, 2019 – Bond Closing – county receives bond proceeds from winning bidder
- March 29, 2019 – Board of County Commission consideration of budget adjustment request to budget bond proceeds to projects

**REQUESTED ACTION**

The Finance Division requests approval of the bond parameters ordinance for the Santa Fe County Gross Receipts Tax Improvement Bonds, Series 2019.

STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF SANTA FE            )

The Board of County Commissioners (the “Board”) of Santa Fe County in the State of New Mexico, met in regular session in full conformity with law and the rules and regulations of the County at the County Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico, being the regular meeting place of the Board, on the 29<sup>th</sup> day of January, 2019, at the hour of 2:00 p.m. Upon roll call, the following members were found to be present:

Present: \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_  
  \_\_\_\_\_

Absent: \_\_\_\_\_  
  \_\_\_\_\_

Also Present: \_\_\_\_\_  
  \_\_\_\_\_

Thereupon, there was officially filed with the County Clerk, the Chairman and each Commissioner a copy of a proposed ordinance in final form.

ORDINANCE NO. 2019-\_\_

AN ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE OF THE SANTA FE COUNTY, NEW MEXICO GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS, SERIES 2019, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 FOR PURPOSES OF FINANCING COSTS OF (1) PLANNING, DESIGNING, ACQUIRING, CONSTRUCTING, RENOVATING, REHABILITATING, EQUIPPING AND FURNISHING A COUNTY ADMINISTRATION COMPLEX AND RELATED FACILITIES; (2) PLANNING, DESIGNING, SURVEYING AND CONSTRUCTING ROADS PURSUANT TO A SETTLEMENT AGREEMENT WITH THE PUEBLO DE SAN ILDEFONSO; (3) PLANNING, DESIGNING, ACQUIRING AND CONSTRUCTING CAPITAL IMPROVEMENTS NECESSARY TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT COUNTYWIDE; AND (4) PAYING COSTS OF ISSUANCE OF THE BONDS; DELEGATING AUTHORITY TO THE COUNTY MANAGER TO EXECUTE AND DELIVER A BOND PURCHASE AGREEMENT AND PRICING CERTIFICATE WHICH WILL SPECIFY THE EXACT PRINCIPAL AMOUNTS, MATURITIES, PRICES, REDEMPTION FEATURES, AND OTHER DETAILS OF THE SERIES 2019 BONDS; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE SERIES 2019 BONDS; PROVIDING THAT THE SERIES 2019 BONDS SHALL BE SPECIAL, LIMITED OBLIGATIONS, AND FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS FROM THE DISTRIBUTIONS TO THE COUNTY OF THE REVENUES OF THE FIRST ONE-EIGHTH INCREMENT, THE THIRD ONE-EIGHTH INCREMENT, AND THE ONE-SIXTEENTH INCREMENT OF THE COUNTY GROSS RECEIPTS TAX ENACTED PURSUANT TO SECTION 7-20E-9 NMSA 1978, AND THE ONE-EIGHTH INCREMENT OF COUNTY HOLD HARMLESS GROSS RECEIPTS TAX ENACTED PURSUANT TO SECTION 7-20E-28 NMSA 1978, WHICH ARE DISTRIBUTED TO THE COUNTY BY THE NEW MEXICO TAXATION AND REVENUE DEPARTMENT PURSUANT TO SECTION 7-1-6.13 NMSA 1978; PROVIDING FOR THE PLEDGE OF SUCH REVENUES BY THE COUNTY; RATIFYING ACTION PREVIOUSLY TAKEN IN CONNECTION WITH THE BONDS; AND REPEALING ALL ORDINANCES IN CONFLICT WITH THIS ORDINANCE.

WHEREAS, capitalized terms used in the following preambles have the same meanings as defined in Section 1 of this Ordinance unless the context requires otherwise; and

WHEREAS, pursuant to Section 7-20E-9 NMSA 1978, the County has imposed (i) the first one-eighth of one percent (0.125%) increment of County Gross Receipts Tax, effective as of January 1, 1984, enacted pursuant to Ordinance No. 1983-7, as amended by Ordinance No. 1991-4; (ii) the third one-eighth of one percent (0.125%) County Gross Receipts Tax, effective as of January 1, 1988, enacted pursuant to County Ordinance No. 1987-6, as amended by Ordinance



No. 2008-11 and 2016-01; and (iii) the one-sixteenth of one percent (0.0625%) County Gross Receipts Tax, effective as of January 1, 2006, enacted pursuant to County Ordinance No. 2005-7; and

WHEREAS, pursuant to Section 7-20E-28 NMSA 1978 and County Ordinance No. 2015-3, adopted on March 24, 2015 (the "Hold Harmless Gross Receipts Tax Ordinance"), the County imposed the county hold harmless gross receipts tax at a rate of one-eighth of one percent (0.125%), effective July 1, 2015 ((together with the first one-eighth of one percent, third one-eighth of one percent and one-sixteenth of one percent increments of County Gross Receipts Tax, the "Pledged Revenues," as more fully defined in Section 1 of this Ordinance); and

WHEREAS, pursuant to Section 7-1-6.13 NMSA 1978, the County receives monthly distributions of the Pledged Revenues from the New Mexico Taxation and Revenue Department; and

WHEREAS, on February 19, 1997, the County issued its Santa Fe County, New Mexico Correctional System Revenue Bonds, Series 1997 in an aggregate principal amount of \$30,000,000 (the "Series 1997 Bonds") for which a debt service reserve fund was established, the replenishment of which was secured at the time of issuance by a lien on the first one-eighth of one percent increment County Gross Receipts Tax revenues, and is now secured by a lien on the Pledged Revenues; and

WHEREAS, on February 19, 1997, the County issued its Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A (the "Series 1997A Bonds") which Series 1997A Bonds were initially secured by a lien on the first one-eighth of one percent increment County Gross Receipts tax prior and superior to the lien thereon of the Series 1997 Bonds, and which are now secured by a lien on the Pledged Revenues prior and superior to the lien thereon of the Series 1997 Bonds; and

WHEREAS, in addition to the Series 1997 Bonds and the Series 1997A Bonds, the Pledged Revenues are currently pledged to the payment of the County's Gross Receipts Tax Revenue Improvement and Refunding Bonds Series 2016, now outstanding in an aggregate principal amount of \$29,745,000 (the "2016 Bonds"); and

WHEREAS, the Board has determined that there is a need for the Improvement Project, as more particularly defined in Section 1 of this Ordinance, and that the Bonds shall be issued in part to provide funds for the Improvement Project; and

WHEREAS, the Board has determined and hereby determines that it is in the best interest of the County and its residents that the Bonds be issued with a first lien, but not an exclusive first lien, on the Pledged Revenues on parity with the lien thereon of Parity Bonds; and

WHEREAS, the Board hereby determines that there is an urgent need for the Project and that the Bonds shall be issued for the Project which consequently will provide for the public health, peace and safety of the County and its residents; and

WHEREAS, the Bonds will be sold competitively pursuant to an Official Notice of Bond Sale, following which the County Manager and/or Finance Director will approve the final principal amounts, maturity dates, interest rates, prices, redemption features and other terms of the Bonds in the Pricing Certificate, as permitted by Section 6-14-10.2 NMSA 1978, which shall supplement this Ordinance; and

WHEREAS, there has been presented to the Board and there presently is on file with the County Clerk a form of Preliminary Official Statement; and

WHEREAS, the Board hereby determines that the Project to be financed by the Bonds is for governmental purposes and is not a project which would cause the Bonds to be “private activity bonds” as defined by the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD:

Section 1. Definitions. As used in this Ordinance, the following terms shall, for all purposes, have the meanings herein specified, unless the context clearly requires otherwise (such meanings to be equally applicable to both the singular and the plural forms of the terms defined):

“Act” means the general laws of the State, including Sections 4-62-1 through 4-62-10, 7-20E-9, and 7-20E-28 NMSA 1978, as amended, and enactments of the Board relating to the issuance of the Bonds, including this Ordinance.

“Board” means the Board of County Commissioners of the County or any future successor governing body of the County.

“Bond Insurance Commitment” means, if applicable, the Municipal Bond Insurance Commitment issued to the County by the Bond Insurer.

“Bond Insurer” means, if applicable, the issuer of the Policy.

“Bondholder,” “holder,” “owner” or “Owner” means the registered owner of any Bond as shown on the registration books of the County for the Bonds, from time to time, maintained by the Registrar. Any reference to a majority or a particular percentage or proportion of the Bondholders shall mean the holders at the particular time of a majority or of the specified percentage or proportion in aggregate principal amount of all Bonds then outstanding.

“Bonds” mean the “Santa Fe County, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2019” authorized by this Ordinance.

“Business Day” means a day on which commercial banks in the city in which the principal office of the Paying Agent and Registrar is located are open for conduct of substantially all of their business operations.

“Chairperson” means the Chairperson of the Board.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations whether proposed, temporary or final, including regulations issued and proposed pursuant to the statutory predecessor of the Code, and, in addition, all official rulings and judicial determinations applicable to the Bonds, and under the statutory predecessor of the Code and any successor provisions to those sections or regulations.

“Continuing Disclosure Undertaking” means the continuing disclosure undertaking with respect to the Bonds to be executed by the County on the day of issuance and delivery of the Bonds to the Purchaser.

“County” means Santa Fe County in the State of New Mexico.

“Debt Service Fund” means the “Santa Fe County, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2019, Debt Service Fund” established by Section 16 of this Ordinance.

“Depository” means The Depository Trust Company, New York, New York, or such other securities depository as may be designated by an officer of the County.

“Event of Default” means any of the events stated in Section 25 of this Ordinance.

“Expenses” means the reasonable and necessary fees, costs and expenses incurred by the County with respect to the issuance of the Bonds, including the fees, compensation, costs and expenses paid or to be paid to the Bond Insurer, Paying Agent, Registrar, Purchaser, attorney’s fees and municipal advisor’s fees.

“Federal Securities” as used in this Ordinance shall include only direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the period commencing on July 1 in each calendar year and ending on June 30 of the next succeeding calendar year, or any other twelve-month period which any appropriate authority may hereafter establish for the County as its fiscal year.

“Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to the entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which such word is used.

“Independent Accountant” means (A) an accountant employed by the State and under supervision of the State Auditor, or (B) any certified public accountant, registered accountant, or firm of such accountants duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the County who (i) is, in fact, independent and not under the domination of the County, (ii) does not have any substantial interest, direct or indirect, with the County, and (iii) is not connected with the County as an officer or employee of the County, but

who may be regularly retained to make annual or similar audits of the books or records of the County.

“Insured Bank” means a bank or savings and loan association insured by an agency of the United States.

“Interest Payment Date” means each June 1 and December 1, commencing on June 1, 2019.

“NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and supplemented.

“Obligations” means bonds, notes or any other instrument which evidence a borrowing or other obligation of the County secured by Pledged Revenues issued or incurred for any purpose permitted by the Act.

“Official Notice of Bond Sale” means the notice of competitive sale of the Bonds which shall be included in the Preliminary Official Statement for the Bonds.

“Ordinance” or “Bond Ordinance” means this Ordinance as amended or supplemented from time to time.

“Outstanding” or “outstanding” when used in reference to the Bonds means, on any particular date, the aggregate of all Bonds delivered under this Ordinance except:

A. those cancelled at or prior to such date or delivered or acquired by the County at or prior to such date for cancellation;

B. those otherwise deemed to be paid in accordance with Section 31 of this Ordinance;

C. those in lieu of or in exchange or substitution for which other Bonds shall have been delivered, unless proof satisfactory to the County and the Paying Agent is presented that any Bond for which a new Bond was issued or exchanged is held by a bona fide holder in due course; and

D. those Bonds which have been refunded in accordance with this Ordinance or other ordinance of the County authorizing the issuance of the applicable bonds.

“Parity Bonds” or “Parity Obligations” means the 2016 Bonds, the Bonds and any other Obligations hereafter issued or incurred payable from the Pledged Revenues and issued with a lien on the Pledged Revenues on parity with the lien thereon of the Bonds.

“Paying Agent” means the County Treasurer and any successor paying agent.

“Pledged Revenues” means the amounts of money derived from all of the revenues attributable to the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1983-7, as amended by Ordinance No. 1991-4, the third one-eighth of one



percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1987-6, as amended by County Ordinance No. 2008-11 and as further amended by County Ordinance No. 2016-01, the one-sixteenth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 2005-7, and the one-eighth of one percent (0.125%) county hold harmless gross receipts tax enacted pursuant to County Ordinance No. 2015-3, each of which County Gross Receipts Taxes is imposed on persons engaging in business in the County pursuant to Section 7-20E-9 NMSA 1978, and which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal seven-sixteenths of one percent (0.4375%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.46 NMSA 1978, which amounts are collected and, after any deductions for administrative costs and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15 NMSA 1978, are distributed monthly (together with the balance of the County's gross receipt tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13 NMSA 1978; provided that the County intends that Section 4-62-6(C) NMSA 1978 applies expressly to the amount of revenues pledged pursuant to this Ordinance.

"Policy" means an insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Preliminary Official Statement" and "Official Statement" mean the disclosure documents used by the Purchaser in connection with the sale of the Bonds to the public.

"Pricing Certificate" means one or more certificates executed by the County Manager, pursuant to and as authorized by Section 6-14-10.2 NMSA 1978, dated on or before the date of delivery of the Bonds, setting forth the following final terms of the Bonds: (i) the interest and principal payment dates; (ii) the principal amounts, denominations, and maturity amortization; (iii) the sale prices; (iv) the interest rate or rates; (v) the interest payment periods; (vi) the redemption and tender provisions; (vii) the creation of any capitalized interest fund, including the size and funding of such fund(s); (viii) the amount of underwriting discount, if any; and (ix) the final terms of agreements, if any, with agents or service providers required for the purchase, sale, issuance and delivery of the Bonds, all subject to the parameters and conditions contained in this Bond Ordinance.

"Principal Payment Date" means June 1 in each year beginning June 1, 2019.

"Project" means (1) planning, designing, acquiring, constructing, renovating, rehabilitating, equipping and furnishing a County administration complex, (2) planning, designing, surveying and constructing roads pursuant to a settlement agreement with the Pueblo de San Ildefonso; (3) planning, designing, acquiring and constructing capital improvements necessary to comply with the Americans with Disabilities Act countywide, and (4) paying costs of issuance of the Bonds.

“Rebate Fund” means the “Santa Fe County, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2019, Rebate Fund” established by Section 24(N) of this Ordinance.

“Registrar” means the County Treasurer, as registrar and transfer agent for the Bonds, and any successor.

“Related Documents” means the Bond Purchase Agreement, if any, the Pricing Certificate, the Continuing Disclosure Undertaking, the Bond Insurance Commitment, if any, the Reserve Insurance Commitment, if any, the Tax Compliance Certificate and any other document or agreement containing an obligation of the County as may be required in connection with the issuance of the Bonds and the application of the proceeds thereof to the Project.

“Reserve Fund” means the “Santa Fe County, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2019, Reserve Fund” established by Section 16 of this Ordinance, and to be maintained by the County.

“Reserve Fund Insurance Policy” means any policy of insurance, surety bond, letter of credit, or other financial instrument issued to the County, the proceeds of which shall be used to prevent deficiencies in the payment of the principal of or interest on the Bonds resulting from insufficient amounts being on deposit in the Debt Service Fund to make the payment of principal of and interest on the Bonds as the same become due. If the Reserve Fund Insurance Policy is in the form of a surety bond, the surety bond must be from an insurance company experienced in insuring municipal bonds whose policies of insurance would not in and of itself adversely affect the rating on the Bonds by Moody’s or by S&P in effect at the time such policy is initially deposited in or credited to the Reserve Fund.

“Reserve Requirement” means an amount which is equal to the least of (i) ten percent (10%) of the proceeds of the Bonds as the term proceeds is used in Section 148(d)(1) of the Code; (ii) the maximum annual debt service on the Bonds; or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds.

“Revenue Fund” means the “Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds Revenue Fund” continued in Section 16 of this Ordinance into which the County shall deposit the Pledged Revenues.

“State” means the State of New Mexico.

“Tax Compliance Certificate” means the Tax Compliance Certificate to be delivered by the County at the time of issuance of the Bonds, as the same may be supplemented in accordance with its terms.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Board and the officers of the County, directed toward the Project, the issuance of the Bonds for the Project, and the sale of the Bonds to the Purchaser be, and the same hereby is, ratified, approved and confirmed.

Section 3. Authorization of the Project. The Project and the method of financing the Project are hereby authorized and ordered at a total cost not to exceed \$30,000,000, and the necessity thereof is hereby so declared, excluding any such cost defrayed or to be defrayed by any source other than Bond proceeds.

Section 4. Findings. The Board hereby declares that it has considered all relevant information and data and hereby makes the following findings:

A. Moneys available for the Project from all sources other than the issuance of revenue bonds are not sufficient to defray the cost of the Project.

B. The Pledged Revenues may lawfully be pledged to secure the payment of the Bonds.

C. It is economically feasible to defray the cost of the Project by the issuance of the Bonds.

D. The Project will reduce interest costs and effect other economies for the benefit of the County and its residents.

E. The issuance of the Bonds pursuant to the Act to provide funds for the financing of the Project is necessary and in the interest of the public health, safety and welfare of the residents of the County.

F. The net effective interest rate on the Bonds shall not exceed the statutory maximum of twelve percent (12%).

Section 5. Bonds - Authorization and Detail.

A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a two-thirds majority of all of the members of the Board. For the purpose of protecting the public health, safety and welfare of the residents of the County, it is hereby declared necessary that the County, pursuant to the Act, issue its negotiable, fully registered, revenue bonds to be designated "Santa Fe County, New Mexico Gross Receipts Tax Improvement Revenue Bonds, Series 2019," in an aggregate principal amount not to exceed \$30,000,000, and the issuance, sale and delivery of the Bonds are hereby authorized. The Bonds shall be sold in a competitive sale to the best bidder for the Bonds pursuant to the Official Notice of Bond Sale, which shall be substantially in the form attached to this Ordinance as Exhibit "A", with such modifications as approved by the County Manager in consultation with the municipal advisor and Bond Counsel to the County.

B. Details of Bonds. The Bonds shall be dated the date of their issuance and delivery to the Purchaser (herein "Series Date"), and are issuable in the denomination of \$5,000 each or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond will be issued for more than one maturity). The Bonds shall be numbered consecutively from 1 upwards.

The Bonds shall bear interest from the Series Date, payable semi-annually on June 1 and December 1 each year, commencing on June 1, 2019, until their respective maturity dates. The exact principal amounts, maturity dates, interest rates, prices, redemption features, and other terms of the Bonds shall be determined by the County Manager and specified in the Pricing Certificate.

Section 6. Prior Redemption. The optional redemption features of the Bonds and mandatory sinking fund provisions, if any, shall be established in the Pricing Certificate.

Section 7. Filing of Signatures. Prior to the execution of any Bond, the Chairperson and County Clerk may each file, pursuant to Sections 6-9-1 to 6-9-6 NMSA 1978, as amended, with the New Mexico Secretary of State his or her manual signature certified by him or her under oath; provided that filing shall not be necessary for any officer where any previous filing may have legal application to the Bonds.

Section 8. Execution and Authentication of Bonds.

A. Execution. The Bonds shall be signed with the engraved, imprinted, stamped or otherwise reproduced facsimile of the signature, or the manual signature, of the Chairperson and shall be attested with the facsimile or manual signature of the County Clerk. There shall be affixed to each Bond the printed, engraved, stamped, or otherwise placed facsimile of, or imprint of, the County's corporate seal. The Bonds shall be authenticated by the manual signature of the Registrar. The Bonds when authenticated and bearing the manual or facsimile signatures of the officers in office at the time of signing thereof shall be valid and binding special obligations of the County, notwithstanding that before delivery thereof and payment therefor, any or all of the persons whose signatures appear thereon shall have ceased to fill their respective offices. The Chairperson and County Clerk, at the time of the execution of the Bonds and the signature certificate, each may adopt as and for his or her own facsimile signature, the facsimile signature of his or her predecessor in office if such facsimile signature appears upon any of the Bonds or certificates pertaining to the Bonds.

B. Authentication. No Bond shall be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Registrar.

Section 9. Negotiability. The Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Bondholders shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Uniform Commercial Code—Investment Securities. Except as set forth herein, the Bonds outstanding shall in all respects be equally and ratably secured, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds.

Section 10. Payment and Presentation of Bonds for Payment. Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal shall be payable in immediately available funds at maturity thereof upon presentation and surrender of such Bond at the principal office of the Paying



Agent or at the designated office of any successor Paying Agent. Interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owner), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to Bond owners not less than ten days prior thereto. If any Bond presented for payment remains unpaid at maturity, it shall continue to bear interest at the rate or rates designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity.

Section 11. Registration, Transfer, Exchange and Ownership of Bonds.

A. Registration, Transfer and Exchange. The County shall cause books for registration, transfer, and exchange of the Bonds as provided herein to be kept at the principal office of the Registrar. Upon surrender for transfer or exchange of any fully registered Bond at the principal office of the Registrar duly endorsed by the registered owner or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Registrar and duly executed, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or registered owner, as appropriate, a new Bond or Bonds in authorized denominations, in fully registered form of the same aggregate principal amount, maturity, and interest rate.

B. Limitations. The Registrar shall close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

C. Owner of the Bonds. The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either the principal of or interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative as stated herein, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

D. Replacement Bonds. If any Bonds shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such Bond, if mutilated, and such evidence, information, or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not

contemporaneously outstanding. If any such lost, stolen, destroyed, or mutilated Bond shall have matured, the Registrar may request the Paying Agent to pay such bond in lieu of replacement.

E. Additional Bonds. Executed but unauthenticated Bonds are hereby authorized to be delivered to the Registrar in such quantities as may be convenient to be held in custody by the Registrar pending delivery as herein provided.

F. Charges. For each new Bond issued in connection with a transfer or exchange, the Registrar may make a charge to the owner of the Bond requesting such exchange or transfer sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

G. Successor Registrar or Paying Agent. If the Registrar or Paying Agent initially appointed hereunder shall resign or is prohibited by law from continuing as Registrar or Paying Agent, or if the County shall reasonably determine that said Registrar or Paying Agent has become incapable of fulfilling its duties hereunder, the County may, upon notice mailed to each registered owner of Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having a shareholders' equity (e.g., capital stock, surplus and undivided profits), however denominated, not less than \$50,000,000. It shall not be required that the same institution serves as both Registrar and Paying Agent hereunder, but the County shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

H. Book Entry. The Bonds may be issued or registered, in whole or in part, in book-entry form from time to time with no physical distribution of bond certificates made to the public, with a Depository acting as securities depository for the Bonds. A single certificate for each maturity date of the Bonds issued in book-entry form will be delivered to the Depository and immobilized in its custody. The book-entry system will evidence ownership of the Bonds in authorized denominations, with transfer of ownership affected on the books of the Depository and its participants ("Participants"). As a condition to delivery of the Bonds in book-entry form, the Purchaser will, immediately after acceptance of delivery thereof, deposit, or cause to be deposited, the Bond certificates with the Depository, registered in the name of the Depository or its nominee. Principal, premium, if any, and interest will be paid to the Depository or its nominee as the registered owner of the Bonds. The transfer of principal, premium, if any, and interest payments to Participants will be the responsibility of the Depository; the transfer of principal, premium, if any, and interest payments to the beneficial owners of the Bonds (the "Beneficial Owners") will be the responsibility of Participants and other nominees of Beneficial Owners maintaining a relationship with Participants (the "Indirect Participants"). The County will not be responsible or liable for maintaining, supervising, or reviewing the records maintained by the Depository, Participants, or Indirect Participants.

If (i) the Bonds are not eligible for the services of the Depository, (ii) the Depository determines to discontinue providing its services with respect to the Bonds, or (iii) the County determines that a continuation of the system of book-entry transfers through the Depository ceases to be beneficial to the County or the Beneficial Owners, the County will either identify

another Depository or Bonds certificates will be delivered to the Beneficial Owners or their nominees, and the Beneficial Owners or their nominees, upon authentication of Bonds and registration of those Bonds in the Beneficial Owners' or nominees' names, will become the owners of the Bonds for all purposes. In that event, the County shall mail an appropriate notice to the Depository for notification to Participants, Indirect Participants, and Beneficial Owners of the substitute Depository or the issuance of bond certificates to Beneficial Owners or their nominees, as applicable.

The County Manager is authorized to sign agreements with the Depository relating to the matters set forth in this Section, provided that such agreements are approved as to form by the County Attorney or County's Bond Counsel.

Notwithstanding any other provision of this Ordinance, so long as all of the Bonds are registered in the name of the Depository or its nominee, all payments of principal, premium, if any, and interest on the Bonds, and all notices with respect to the Bonds, shall be made and given by the Paying Agent, Registrar, or the County to the Depository as provided in this Ordinance, and by the Depository to its Participants or Indirect Participants and notices to the Beneficial Owners of the Bonds in the manner provided in an agreement between the County and Depository or letter of the County to the Depository.

Section 12. Special Limited Obligations. All of the Bonds and all payments of principal, premium, if any, and interest thereon at maturity, together with any interest accruing thereon, shall be special limited obligations of the County and shall be payable and collectible solely from the Pledged Revenues, which revenues are so pledged and are payable as set forth in Section 18 of this Ordinance. The owner or owners of the Bonds may not look to any general or other fund for the payment of the principal of or interest on such obligations, except the designated special funds pledged therefor. The Bonds shall not constitute an indebtedness or a debt of the County within the meaning of any constitutional, charter or statutory provision or limitation, nor shall they be considered or held to be general obligations of the County, and each of the Bonds shall recite that it is payable and collectible solely out of the Pledged Revenues, pledged as set forth in this Ordinance, and that the holders thereof may not look to any general or other municipal fund for the payment of the principal of and interest on the Bonds. Nothing herein shall prevent the County from applying other funds of the County legally available therefor to the payment of the principal, premium, if any, and interest on the Bonds, in its sole discretion.

Section 13. Form of Bonds. The forms, terms and provisions of the Bonds shall be substantially in the form set forth below, with such changes therein as are not inconsistent with this Ordinance.

[Form of Bond]

UNITED STATES OF AMERICA

STATE OF NEW MEXICO

COUNTY OF SANTA FE

SANTA FE COUNTY, NEW MEXICO  
GROSS RECEIPTS TAX IMPROVEMENT REVENUE BONDS  
SERIES 2019

Bond No. \_\_\_\_\_ \$ \_\_\_\_\_

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATE OF BOND</u>	<u>CUSIP</u>
_____ % per annum	June 1, 20__	____, 2019	_____

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

REGISTERED OWNER: CEDE & CO.

The Santa Fe County (the "County"), in the State of New Mexico (the "State"), a political subdivision duly organized and existing under the Constitution and laws of the State, for value received, promises to pay, solely from the special funds available for the purpose set forth below, to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (unless this Bond may be and is called for prior redemption, in whole or in part, in which case on such redemption date), upon presentation and surrender of this Bond to the County Treasurer, or any successor (as such, the "Paying Agent"), the Principal Amount stated above and premium, if any, and to pay interest on the unpaid Principal Amount at the Interest Rate stated above on June 1 and December 1 of each year, beginning on June 1, 2019 (each, an "Interest Payment Date"), to the Maturity Date stated above, or until redeemed if called for redemption prior to maturity. If, upon presentation and surrender at maturity or for prior redemption, payment of this Bond is not made, interest shall continue at the Interest Rate stated above until the Principal Amount is paid in full. This Bond will bear interest from the most recent date to which interest has been paid or provided for or if no interest has been paid or provided for, from the Date of Bond stated above. Interest on this Bond is payable by check or draft mailed to the registered owner hereof (or by such other arrangement as may be mutually agreed to by the Paying Agent and the registered owner) as shown on the registration books for this issue maintained by the County Treasurer or any successor (as such, the "Registrar"), at the address appearing therein at the close of business on the fifteenth day of the calendar month next preceding the Interest Payment Date (the "Record Date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the owner hereof (or of one or more predecessor Bonds, defined below) as of the Record Date, but shall be payable to the owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date to be fixed by the Paying Agent for the payment of interest. Notice of the special record date shall be given to owners of Bonds as then shown on the Registrar's registration books not less than ten days prior to the special record date. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America, without deduction for exchange or collection charges.

This Bond is one of a duly authorized series of fully registered bonds of the County in the aggregate principal amount of \$\_\_\_\_\_ issued in denominations of \$5,000 or integral multiples thereof, designated as Santa Fe County, New Mexico Gross Receipts Tax Revenue Bonds, Series 2019 (the "Bonds"), issued under and pursuant to County Ordinance No. 2019-\_\_,



as supplemented by the Pricing Certificate (as defined in the Bond Ordinance) (the "Bond Ordinance").

The Bonds maturing on and after June 1, 20\_\_, are subject to prior redemption at the option of the County, in one or more units of principal of \$5,000 on and after June 1, 20\_\_, in whole or in part on any date. If the Bonds are optionally redeemed in part, the Bonds to be so redeemed shall be selected by lot by the Registrar in such manner as the Registrar shall consider appropriate and fair.

Notice of redemption shall be given by the Registrar by sending a copy of such notice by electronic means or by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. Neither the County's failure to give such notice nor the Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and, if less than the full amount of any Bond is to be redeemed, the amount of such Bonds to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and, if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

Books for the registration and transfer of the Bonds shall be kept by the Registrar. Upon the surrender for transfer or exchange of a Bond at the principal office of the Registrar, duly endorsed or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar shall authenticate and deliver, not more than three (3) business days after receipt of the Bond or Bonds to be transferred, in the name of the transferee or owner a new Bond or Bonds in fully registered form of the same aggregate principal amount, maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds shall be without charge to the owner or any transferee, but the Registrar may require the payment by the owner of any Bond of any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer. The Registrar will close books for change of registered owners' addresses on each Record Date; transfers will be permitted within the period from each Record Date to each Interest Payment Date, but such transfers shall not include a transfer of accrued interest payable.

The person in whose name any Bond is registered on the registration books kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes except as may otherwise be provided with respect to payment of interest in the Bond Ordinance; and payment of or on account of either principal or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid.

If any Bond shall be lost, stolen, destroyed or mutilated, the Registrar will, upon receipt of such Bond, if mutilated, and such evidence, information, or indemnity relating thereto as the Registrar may reasonably require, if lost, stolen, or destroyed, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount and of the same maturity and interest rate, bearing a number or numbers not contemporaneously outstanding. If such lost, stolen, destroyed, or mutilated Bond shall have matured, the Registrar may direct the Paying Agent to pay such Bond in lieu of replacement.

This Bond does not constitute an indebtedness of the County within the meaning of any constitutional or statutory provision or limitation, shall not be considered or held to be a general obligation of the County, and is payable and collectible solely out of the Pledged Revenues pursuant to the pledge made by and as defined in the Bond Ordinance. Payment of the bonds of the series of which this Bond is one and the interest thereon shall be made solely from, and as security for such payment, there are pledged pursuant to the Bond Ordinance the amounts of money derived from all of the revenues attributable to the first one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1983-7, as amended by Ordinance No. 1991-4, the third one-eighth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 1987-6, as amended by County Ordinance No. 2008-11 and as further amended by County Ordinance No. 2016-01, the one-sixteenth of one percent County Gross Receipts Tax enacted pursuant to County Ordinance No. 2005-7, and the one-eighth of one percent (0.125%) county hold harmless gross receipts tax enacted pursuant to County Ordinance No. 2015-3, each of which County Gross Receipts Taxes is imposed on persons engaging in business in the County pursuant to Section 7-20E-9 NMSA 1978, and which revenues are remitted to the County monthly by the New Mexico Department of Taxation and Revenue pursuant to Section 7-1-6.13 NMSA 1978, and which remittances currently equal seven-sixteenths of one percent (0.4375%) of the taxable gross receipts reported by persons engaging in business in the County; and which include the distribution to the County made pursuant to Section 7-1-6.46 NMSA 1978, which amounts are collected and, after any deductions for administrative costs and any disbursements for tax credits, refunds and the payment of interest applicable to such gross receipts tax and subject to any increase or decrease pursuant to Section 7-1-6.15 NMSA 1978, are distributed monthly (together with the balance of the County's gross receipt tax) by the Revenue Division of the Taxation and Revenue Department of the State of New Mexico to the County pursuant to Section 7-1-6.13 NMSA 1978; provided that the County intends that Section 4-62-6(C) NMSA 1978 applies expressly to the amount of revenues pledged pursuant to the Bond Ordinance.